FROM SELF-EMPLOYED HOSPITALITY ENTREPRENEUR TO PAID EMPLOYEE: THE MOTIVATIONAL FACTORS BEHIND THE TRANSITION

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ABSTRACT

The New Zealand hospitality industry is characterised by a high rate of business start-ups and closures, especially in small and medium enterprises (Inland Revenue Department, 2011). One reason for this is that many businesses are not financially viable. There are, however, successful hospitality entrepreneurs who are leaving self-employment to return to paid employment.

This research presents evidence that some entrepreneurs leave self-employment in favour of paid employment from choice rather than being forced to take this step. Data are derived from interviews and placed into themes by using an interpretive paradigm. As many motivational push and pull factors are identified (family, work-life imbalance, health and stress, age, planned exit, security and stability of paid employment, education, expectations of others, lack of personal and professional development during the operation, and intuition) a diagram is designed to provide a broader overview. It shows entrepreneurs from a larger perspective, and that the exit process is influenced by a combination of factors such as their personal environment, personal goals and personal beliefs, social and economic factors, and the external environment.

KEYWORDS: Entrepreneurs, hospitality, exit entrepreneurship, motivation

INTRODUCTION

Three key elements have been identified that contribute to the high rate of business start-up in the hospitality industry: minimal capital investment is required, specialist knowledge is not needed, and the qualification barriers to entry are low in comparison to many of those other industries (Lockyer & Morrison, 1999). Also, external elements such as location, density, and affiliation affect the survival of restaurants (Parsa, Self, Sydnor-Busso, & Yoon, 2011). However, the most critical factor contributing to a restaurant's success or failure is the internal environment, "with the owner's characteristics and goals serving as the guiding force" (Parsa, Self, Njite, & King, 2005, p. 316). The key statistic of small, independent restaurants is a cumulative failure rate of almost 60 percent in the first three years (Parsa et al., 2005). This study's focus is on the 40 percent of hospitality owners that survived and passed the three and a half year mark of hospitality entrepreneurship but still decided to return to paid employment.

This research used a qualitative approach with an interpretive paradigm. Ex-entrepreneurs of small New Zealand hospitality businesses were interviewed for the research. The focus was on small business owners because the majority of the New Zealand hospitality industry is represented by small sized businesses (Restaurant Association of New Zealand, 2008; Statistics New Zealand, 2010) and these small businesses are vital to New Zealand's economy (Hospitality Standards Institute, 2012).

Each of the 16 participants communicated a wide variety of push and pull motivational factors. Narrative analysis was used to interpret data in this study. Narrative analysis permits a holistic approach to discourse that preserves context and particularity (Riessman, 1993), when the researcher is working in an interpretive paradigm. Ten themes on influences on leaving the hospitality entrepreneurship emerged during the analysis: family, work-life imbalance, health and stress, age, planned exit, security and stability of paid employment, education, expectations of others, lack of personal and professional development during the operation, and intuition.

Themes were not derived from existing theories; rather, the researcher immersed herself in the interview transcripts and let categories emerge on their own. Although some themes, for example 'family' and 'health and stress', were mentioned by the majority of participants, the themes were not chosen by quantifying the data. Some themes, such as education, planned exit, and intuition, were chosen because they stood out; 'education' because it was inconsistent with findings of prior studies and 'planned exit' and 'intuition' because they had not been identified in prior studies. Some themes were straightforward and could be easily identified because of their transparent content, while others were harder to identify because they were partially based on the hidden content in the text.

1. There was clear evidence that family was important for the majority of the participants. Family contained both push (dependent children, marriage breakup, and aging and ailing parents) and pull factors (grandchildren and unborn children).

2. The second theme is work-life imbalance, and a correlation was identified between the theme of family and work-life imbalance. Many participants felt they could not start a family and combine it with the demanding operation or that they did not have sufficient family time. Many had a lack of holiday time, time with friends, and time for themselves. The majority of time was invested in the operation and although in the first few years of the operation that was not a problem, it eventually became a reason to exit self-employment.

3. The third theme of health and stress identifies the physical, mental and even spiritual tension between the operation and the participants. The lack of days off and holidays meant that participants were unable to recuperate and eventually they became totally 'burned out'. The older participants felt that physically the entrepreneurship was eventually too demanding.

4. Age was identified as the fourth theme. Participants in the mid thirties wanted to start a family and participants over 50 wanted to work less.

5. Several participants had planned to exit prior to the start of the business. They wanted to operate the business for a limited time depending on age, goal reached, or to sell the business for a profit. Many were aware that the demanding job could only be maintained for a limited period.

6. All participants had experienced paid employment prior to the operation. They felt that the advantages of weekends off, holidays pay, regular income, study opportunities, working with colleagues to exchange knowledge, career progression, and regular working hours pulled them back into paid employment.

7. The level of education prior to paid employment influenced their exit from self-employment. In particular, participants with a university degree typically left entrepreneurship earlier and left the operation to their partners while they went into paid employment.

8. Expectations of the participants' parents on the career of their adult child influenced some participants. The parents felt that their child's hospitality career was temporary and later they

would get a 'real' job. Others had pressure from the community, as the hospitality career was not perceived as prestigious.

9. Lack of development, either on a personal level or on a business level, meant that some of the participants felt they had become staid, bored and uninspired, so they returned to paid employment.

10. Intuition is the last theme and several participants identified influences out of their control that decided their return to paid employment. Words such as serendipity, karma, meant to be, and lessons to be learned were used by participants during the interviews to express these unexplained phenomena.

The many elements communicated by participants were placed in push and pull motivational factors alongside the appropriate themes and indicate that in all instances both push and pull motivational factors were involved. A diagram was used as a framework to indicate the many variables that are involved in the decision to exit self-employment and return to paid employment.

CONCLUSION AND IMPLICATIONS

The matrix of motivations can be extended to infinitely small causes that motivate a person to leave self-employment. The findings show that the motivations behind the transition process back to paid employment is complicated and that many factors influenced the entrepreneur's final decision. This matrix of motivations does not stop with the hospitality entrepreneur but extents to all human beings in the world. The different environments that effect humans also affect the other environments. It is an infinite dance between all energies. Humans are just a tiny motivator, receiving and sending motivational factors, in the whole universe. Each human however is the centre of their universe and hopes to have some small control over it.

Factors that influence decision making are discussed and compared to existing literature. Findings (themes) are juxtaposed with Maslow's hierarchy of needs and Maslow's needs are discussed in the final part of this paper. The findings in this study are consistent with Maslow's hierarchy of needs motivation. However, this study believes that Maslow's motivations, and the findings of this study, need to be viewed in a larger universal perspective. Most people prefer making choices that involve pull factors, however, from the larger perspective, one might conclude that avoidance of push factors is impossible.

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